

Ability to Pay Homeowners/Renters

Step A: Gross Household Income: \$_____ (A)

Step B: (-) Dependents \$_____ (B)

\$480 for each dependent under the age of 18 years old.
Do not include head of household or spouse.

Step C: (-) Elderly \$_____ (C)

\$400 for any elderly FAMILY (age 62 years and older).

Step D: (-) Other Deductibles \$_____ (D)

Include documented, out-of pocket medical expenses in excess of three (3%) of annual income.

Step E: A- (B+C+D) = Adjusted Gross Income (AGI) \$_____ (E)

Step F: Monthly Income (AGI/12) \$_____ (F)

Step G: Income Available for Housing \$_____ (G)
(Monthly Income of Homeowners x .25)
(Monthly Income of Renters x not to exceed .35)

Step H: Monthly Housing Costs

Mortgage Payment \$ _____

Home Insurance \$ _____

Real Estate Taxes \$ _____

Utility Allowance \$ _____ (gas, electric, heat, water, and garbage only)

Total Monthly Housing Costs \$_____ (H)

Step I: G- H = Amount Available for Loan Repayment \$_____ (I)

Loan Repayment

Step A: Loan Amount (A) \$ _____

Step B: Monthly Amount To Fully Amortize Loan (B) \$ _____
(For 0%, 10 years - multiply loan amount by 1/120)

Step C: Client Payment Amount (C) \$ _____
(from Ability to Pay Calculations—line I)

Step D: Monthly Amount Forgiven (D) \$ _____
Subtract (C) from (B) = (D)

Step E:

If (B) is greater than (C): (C) is the monthly payment from client;
(D) is the monthly loan amount forgiven;

BUT

If (C) is greater than (B): nothing is forgiven and
(B) is the monthly payment from client;

Notes: